

Happy Creek Announces Sale of Highland Valley Project

October 4, 2024, Vancouver, British Columbia – Happy Creek Minerals Ltd. (TSX-V: HPY) (“Happy Creek” or the “Company”) is pleased to announce that it has entered into a Purchase Agreement, dated October 2, 2024 and an amendment to the Purchase Agreement dated October 3, 2024, (together the “Agreement”) with Metal Energy Corp. (TSX-V: MERG) (“Metal Energy”) for the arms-length sale of 100% interest in the Highland Valley Project (the “Project”) located in Southern British Columbia (the “Transaction”).

Highlights

- The Highland Valley project is a district-scale copper exploration project comprised of 63 mineral claims with an area of approximately 237 square kilometers located adjacent to Teck Resources Limited’s Highland Valley Copper mine, the largest operating copper mine in Canada.
- Happy Creek will receive total cash and equity consideration payments of approximately \$6.4 million (including a \$300,000 cash payment and 9.9% equity in Metal Energy at closing) and up to a 2.5% NSR royalty on the Project mineral claims (subject to a 1.5% buyback provision for a cash payment of \$5.0 million).
- Metal Energy will incur a minimum of \$250,000 in exploration expenditures on the Property by December 31, 2024.
- As a result of the Transaction, Happy Creek will be a significant shareholder of Energy Metals and will be entitled to nominate a director to the board of Metal Energy.
- The Highland Valley Project will be a core asset for Metal Energy as the company transitions into a copper focused exploration and development company.

Happy Creek, President and CEO Jason Bahnsen commented “*The sale of the Highland Valley Project to Metal Energy is a significant step in unlocking the value of our project portfolio. Happy Creek shareholders will retain a significant exposure to the exploration upside of the Highland Valley project via the equity position that the Company will have in Metal Energy plus the NSR royalty over all Project claims. This transaction allows Happy Creek to focus on the exploration and development of its Cariboo projects including the high-grade Fox Tungsten Project.*”

Key Transaction Terms

Happy Creek shall sell, assign, transfer and convey unto Metal Energy a 100% interest in the Highland Valley mineral claims (the "Project") for the following consideration (the "Transaction"):

Upon Closing,

Metal Energy will pay Happy Creek

1. Cash payment of \$300,000
2. Shares in Metal Energy equivalent to 9.9% of the total listed shares in the company

Additional Equity Consideration Shares

1. 1st anniversary of closing date of the Transaction, Metal Energy to issue \$1.0 million in shares to Happy Creek
2. 2nd anniversary of closing date of the Transaction, Metal Energy to issue \$1.0 million in shares to Happy Creek
3. 3rd anniversary of closing date of the Transaction, Metal Energy to issue \$1.5 million in shares to Happy Creek
4. 4th anniversary of closing date of the Transaction, Metal Energy to issue \$2.5 million in shares to Happy Creek

If the issuance of any of the Additional Equity Consideration Shares would result in Happy Creek holding in excess of 19.9% of the issued and outstanding common shares of Metal Energy, Metal Energy shall pay the balance of the applicable payments to Happy Creek in cash.

The number of Additional Equity Consideration Shares to be issued shall be determined based on the greater of (i) the Discounted Market Price (as defined in Policy 1.1 of the TSX Venture Exchange ("TSXV") Corporate Finance Manual) and (ii) the volume weighted average price of the common shares of Metal Energy that trade on the TSXV, or such other stock exchange upon which the common shares of Metal Energy are listed and posted for trading at such time if such common shares are no longer listed and posted for trading on the TSXV, for the thirty (30) trading days prior to the date such Additional Equity Consideration Shares are issued, provided that in any event no Additional Equity Consideration Shares shall be issued at a price of less than \$0.01 per share.

Exploration Commitment

Metal Energy must incur a minimum of \$250,000 in exploration expenditures on the Property by December 31, 2024.

NSR Royalty

Metal Energy will grant Happy Creek a 2.5% NSR royalty over certain mineral claims of the Project, of which 1.5% may be repurchased by Metal Energy for \$5,000,000.

Other Terms

Provided Happy Creek continues to hold at least 5% of the issued and outstanding shares, Happy Creek will have the right to nominate one director to Metal Energy's Board.

Metal Energy to be operator of the Project

No finders' fees or commissions are payable by the Company in connection with completion of the Transaction.

Closing of the Transaction is subject to TSX.V approval.

About the Highland Valley Project

The Highland Valley Project is located in Southern British Columbia, approximately 50 kilometers from the regional centre of Kamloops and adjacent to Teck's Highland Valley Copper mine. Happy Creek acquired the 23,696 hectare of mineral claims that comprise the Highland Valley Project over a period of 17 years.

Exploration at the Highland Valley Project has been primarily focused on the Rateria Zone. Exploration completed by Happy Creek has resulted in two discoveries and the identification of over 25 prospects.

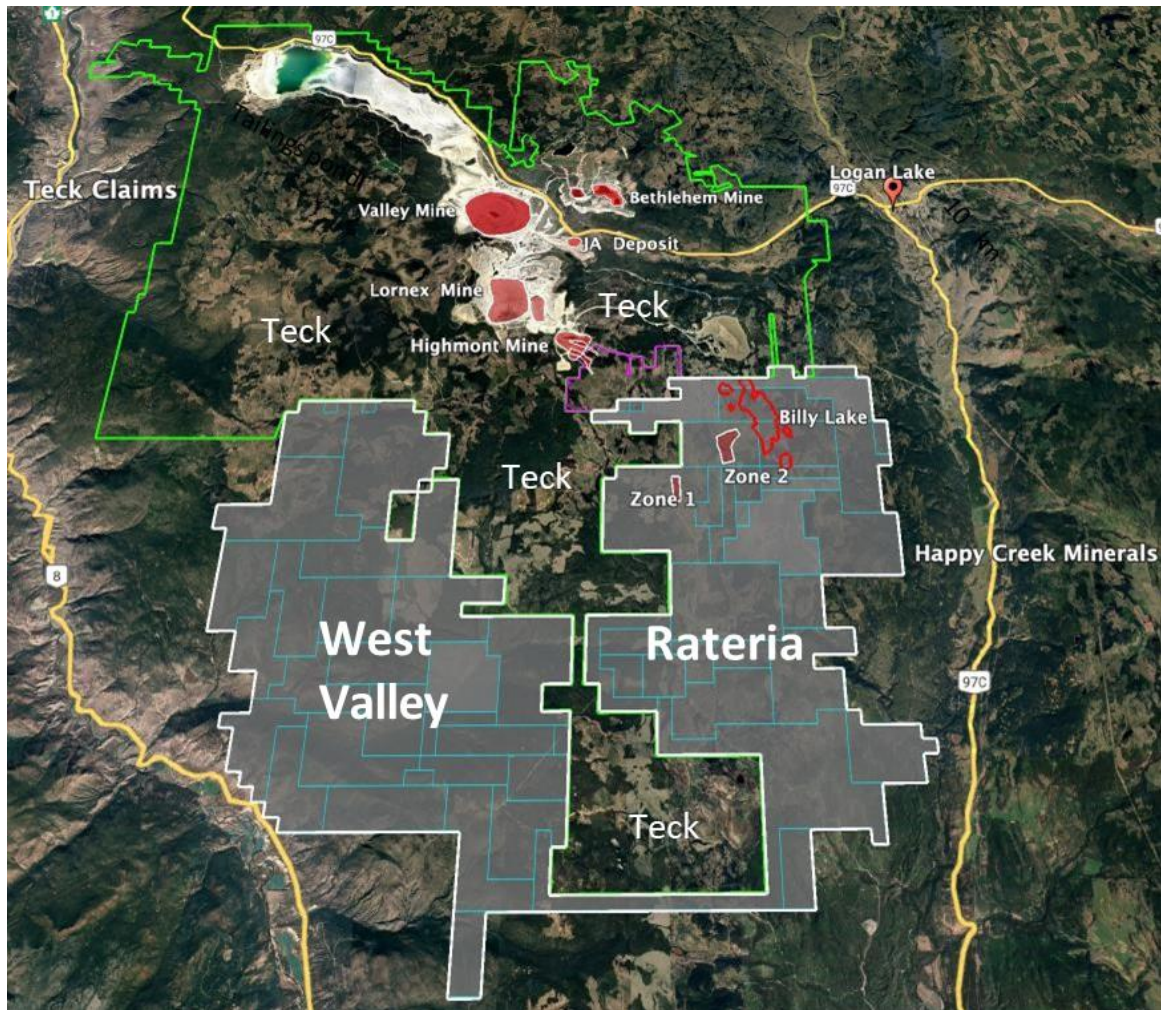


Figure 1 – Highland Valley Project

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About Metal Energy Corp.

Metal Energy Corp is a TSX.V listed exploration company (TSX.V: MERG). Metal Energy is part of the Ore Group (“[Home | Ore Group](#)”). The Ore Group is based in Toronto, Ontario and operates a portfolio of companies that finances and develops precious, base, and critical metal projects. With the acquisition of the Highland Valley Project, Metal Energy will transition to focus on copper. The Highland Valley project will be the core asset of Metal Energy.

Qualified Person Statement

The technical and scientific contents of this release have been prepared, verified and approved by David Blann, P.Eng., a director of the Company, and a qualified person pursuant to National Instrument 43-101, Standards of Disclosure for Mineral Projects.

On behalf of the Board of Directors,

“Jason Bahnsen”

President and Chief Executive Officer

FOR FURTHER INFORMATION, PLEASE CONTACT:

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About Happy Creek Minerals Ltd.

Happy Creek is focused on making new discoveries and building resources in proximity to infrastructure on the Company’s 100-percent-owned portfolio of diversified metals projects in British Columbia.

Projects include the Highland Valley Project, adjacent to Teck’s Highland Valley Copper Mine that has been in continuous production for over 60 years, the high-grade Fox Tungsten deposit, the Silverboss molybdenum-copper-gold-silver project adjacent to Glencore’s closed Boss Mountain molybdenum mine and the adjacent Hen-Art-DL gold and silver project.

Happy Creek is committed to responsible mineral resource development. The Company’s priority is to build and sustain mutually beneficial relationships with Indigenous Communities in the territories in which the Company explores.

Additional information relating to Happy Creek Minerals Ltd. may be obtained or viewed on the SEDAR+ website at www.sedar.com or on the Company’s website at www.happycreekminerals.com.

Forward Looking Statement

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

This press release contains "forward-looking information" within the meaning of applicable securities laws, including statements that address capital costs, recovery, grade, and timing of work or plans at the Company's mineral projects. Forward-looking information may be, but not always, identified by the use of words such as "seek", "anticipate", "foresee", "plan", "planned", "continue", "expect", "thought to", "project", "predict", "potential", "targeting", "intends", "believe", "opportunity", "further" and others, or which describes a goal or action, event or result such as "may", "should", "could", "would", "might" or "will" be undertaken, occur or achieved. Statements also include those that address future mineral production, reserve potential, potential size or scale of a mineralized zone, potential expansion of mineralization, potential type(s) of mining, potential grades as well as to Happy Creek's ability to fund ongoing expenditure, or assumptions about future metal or mineral prices, currency exchange rates, metallurgical recoveries and grades, favourable operating conditions, access, political stability, obtaining or renewal of existing or required mineral titles, licenses and permits, labour stability, market conditions, availability of equipment, accuracy of any mineral resources, anticipated costs and expenditures. Assumptions may be based on factors and events that are not within the control of Happy Creek and there is no assurance they will prove to be correct. Such forward-looking information involves known and unknown risks, which may cause the actual results to materially differ, and/or any future results expressed or implied by such forward-looking information. Additional information on risks and uncertainties can be found within Financial Statements, Prospectus and other materials found on the Company's SEDAR profile at www.sedar.com. Although Happy Creek has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there can be no assurance that such information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Happy Creek withholds any obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless required by law.